

**Major New Source  
Review Reform  
(Revision E03)  
Final Amendments**

- Board adopted final rule 12/08/05.
- Board changes to final:
  - Effective date consistent with normal APA process (not tied to EPA SIP approval).
  - Removal of demand growth exclusion for projected emissions.
  - Different 2-year baseline period allowed for non-EGUs upon acceptable demonstration.
- Final regulation published 01/23/06.
- Effective date 02/22/06.

- **Petition process – APA 2.2-4007 K:**
  - Allowed if significant changes are made to the regulation between proposed and final.
  - Must be within 30 days of publication of regulation in Virginia Register.
  - Regulation suspended: notice of suspension published in Virginia Register.
  - 30-day comment period and public meeting.
  - Comments accepted only on changes made between proposed and final.

- Petition process:
  - Over 25 signatures received.
  - Suspension notice and notice of comment period published 03/06/06.
  - Public meeting and close of comment 04/05/06.
    - 3 attendees, one provided testimony
    - 13 detailed written comments

# Summary of public comment

- Primarily focused on demand growth.
- Two basic positions:
  - Do not include demand growth
  - Reinstitute demand growth

# Summary of public comment

- Reasons to not include demand growth:
  - too broadly worded
  - projected emissions artificially minimized
  - no way to distinguish increases solely attributable to demand growth from increases due to physical change
  - undue reliance on source determinations
  - will complicate enforcement
  - no concomitant benefits

# Summary of public comment

- Reasons to include demand growth:
  - required by federal law: causality principle
  - consistency with other states
  - need for flexibility and competitiveness
  - avoidance of capacity confiscation
  - encourage less polluting processes and equipment
  - avoid unnecessary and expensive permitting with little environmental benefit

# Other issues considered

## EPA Region III:

- Informal discussion
- Formal correspondence

## DEQ:

- Permitting staff analysis



# Permitting analysis

- All 12 PSD permitting actions at existing sources since 11/99 studied
- 7 facilities not eligible to utilize demand growth
- 5 eligible facilities
  - under 10-20-30% growth scenarios:
    - all 5 would still have triggered PSD review
  - under worst-case scenario (demand growth = past potential to emit):
    - 4 would still have triggered PSD review

# **Proposed final rule**

- Recommended changes:
  - Reinstate the hybrid test provisions
  - Reinstate the demand growth exclusion provisions

- **Department Recommendation:**
  - That the board adopt the proposal with an effective date of September 1, 2006.
  - That the proposal be submitted to EPA as a State Implementation Plan Revision.